

March 17, 2006

Robert E. Feldman, Executive Secretary
Attn: Comments/ Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman:

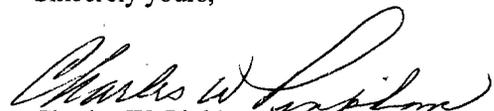
We are a mutual financial institution established in 1835 to serve the needs of our community. Since our inception we have carried out the mission successfully. Our management and board of directors are totally committed to serving the evolving needs of our customers. Over the last 20 years our bank has grown from a one branch bank to a six branch \$750 million asset bank by providing superior customer service to our ever expanding customer base. During this period our bank has always been profitable.

We are a full service financial institution that provides commercial real estate, residential, consumer, construction and C&I loans. Each of these lending functions is vitally important to our community and overall strength of the American economy. All of our lending professionals have significant lending experience. We are deeply concerned about the proposed arbitrary and mechanical new regulations concerning the concentration of construction and/or commercial real estate exposures. We believe the threshold tests are inappropriate because different types of commercial real estate have very different risk profiles. There is a huge difference in risk levels between CRE loans for contractor spec home construction, commercial construction, and land development- and development from non speculative CRE loans that have firm takeouts or established cash flow patterns.

We believe appropriate capital levels should be determined based on a thorough analysis of the individual financial institution. Our community bank and hundreds of similar community banks may indeed be adversely impacted by regulations, which are so general and restrictive that the end result will prove harmful to the very communities we are meant to serve. Past experience proves that broad regulations do in fact transform themselves from guidelines to inflexible rigid controls on the very core of the American Banking system. Overregulation has been counter productive and in the long run injurious to the economy and well being of all.

We thank you in advance for your consideration of our concerns. We as well as you are committed to a sound financial system necessary for a strong economy.

Sincerely yours,


Charles W. Pinkham